Distr.
GENERAL

IDB.22/6
11 April 2000

United Nations Industrial Development Organization

ORIGINAL: ENGLISH

Industrial Development Board

Twenty-second session
Vienna, 30-31 May 2000
Item 9 of the provisional agenda

ADMINISTRATIVE MATTERS

Activities of the Joint Inspection Unit

Report by the Director-General

Provides information on recent reports prepared by the Joint Inspection Unit and reflects the views of the Secretariat on JIU reports of direct relevance to UNIDO activities.

Introduction

1. The Joint Inspection Unit (JIU) became a subsidiary organ of the Industrial Development Board by its decision IDB.1/Dec.22. The Unit conducts its work based on requests by Member States, on requests by the secretariats of the participating organizations, or on its own initiative. The reports of JIU are submitted to the competent organs of the organizations concerned with the comments of the executive heads of those organizations. The present document provides information on JIU reports that are considered relevant to UNIDO, together with the comments of the Secretariat thereon.

2. Since the issuance of the most recent document to the Board on the subject (IDB.20/15), the following reports of JIU have been prepared and circulated for consideration, comments and/or follow-up action. The reports are available for reference at the documents distribution counter.

JIU/REP/98/3	The United Nations University—Enhancing its relevance and effectiveness
JIU/REP/98/4	United Nations system common services at Geneva—Part I: Overview of administrative cooperation and coordination
JIU/REP/98/5	United Nations Office for Project Services (UNOPS): Broader engagement with United Nations system organizations
JIU/REP/99/1*	Review of the Administrative Committee on Coordination and its machinery
JIU/REP/99/2	An evaluation of the United Nations International Research and Training Institute for the Advancement of Women (INSTRAW)
JIU/REP/99/3*	Results-based budgeting: The experience of United Nations system organizations

For reasons of economy, this document has been printed in a limited number. Delegates are kindly requested to bring their copies of documents to meetings.

V.00-53126 (E)

Distr.: 18 April 2000

JIU/REP/99/4 Review of management and administration in the International Labour Office

JIU/REP/99/5 Use of contractual services to support established staff resources in the International Civil Aviation Organization (ICAO)

* Indicates a report of direct relevance to UNIDO

I. REPORTS SUBMITTED BY THE JOINT INSPECTION UNIT OF DIRECT INTEREST TO UNIDO

Review of the Administrative Committee on Coordination and its machinery (JIU/REP/99/1)

3. The report aims at contributing to ongoing initiatives geared at strengthening the effectiveness and impact of the Administrative Committee on Coordination (ACC) and its machinery and at improving its interaction with intergovernmental bodies in general and with those having a mandate for system-wide coordination in particular.

4. First, it appears that while ACC's past reform efforts did not always meet expectations, current reform initiatives, building on those taken in 1993 and engaged as part of the overall reform process within the United Nations system, have set the ground for the development of a new culture in inter-agency cooperation and coordination. Second, the functioning of the ACC is reviewed and an assessment is made on efforts to increase the effectiveness of ACC through greater coherence and efficiency in the decision-making process, strengthened secretariat support and improvements in the management of information. Third, the shared responsibility Member States have in achieving a better coordination in the United Nations system is underlined. The report makes an assessment of ongoing efforts and further measures conducive to an improved cross-fertilization between ACC on the one hand, and the General Assembly, the Economic and Social Council, the Committee for Programme and Coordination and other governing bodies, on the other hand. There is a need to secure from legislative bodies sustained support for coordination efforts by providing to them a more transparent account of resources involved by, and expected outputs derived from, an enhanced coordination in the system.

5. The inspectors made recommendations with regard to the functioning of the ACC and to the ACC itself, to the management of information and to the interaction between the ACC and intergovernmental bodies. The six recommendations related to the functioning are as follows:

(a) Executive heads are encouraged to continue to abide by the guiding principles which have set conditions for improving the effectiveness and impact of ACC by reinforcing their unity of purpose. They should reinforce the leadership role of the Secretary-General as Chairman of ACC and the lead role of other executive heads and their respective organizations as lead agencies in their specific mandates and competencies;

(b) ACC should continue to demonstrate the relevance and impact of its work;

(c) Executive heads should pursue more actively their consideration of a new name for ACC which would better reflect the changes in its scope and functions;

(d) Specific points should be taken into account in the implementation of the new working methods approved by ACC;

(e) Streamlining and flexibility of coordination mechanisms should remain the targets of periodic reviews of the structure of the ACC machinery;

(f) Secretariat support for ACC should be of concern to all its members.

6. With regard to the management of information, the Chairman of ACC should submit to the Economic and Social Council indications on efforts made by executive heads towards a system-wide coordinated management of information. ACC should promote further efforts by all organizations in this area.

7. The inspectors then recommend that the General Assembly may wish to complement secretariats' inter-agency coordination efforts by concerting and coordinating their own positions in the governing bodies of the different organizations within the system and by exercising more effective policy coordination at the national level within their Governments. Also, legislative bodies which have not yet done so may wish to request the executive head to submit a periodic report focusing on decisions and recommendations by central coordinating bodies or by other governing bodies, which have implications for the organization's programme and budget. They may also wish to request from executive heads a more complete and transparent submission of financial implications related to the inter-agency coordination process. Finally, the General Assembly may wish to reaffirm, as a matter of principle, its own role in approving the total budgets of all jointly-financed secretariats.

8. UNIDO welcomes this report, which reflects the importance of coordination of the entire United Nations system in the United Nations reform context. The ACC has potential in the policy dimension of coordination. UNIDO agrees that the ACC machinery should be action-oriented and that requests for follow-up to the agencies need to be precise in terms of responsibility.

Results-based budgeting: The experience of United Nations system organizations (JIU/REP/99/3)

9. The report has the objective to learn from the experience of other United Nations system organizations with results-based budgeting (RBB) for assisting Member States in considering the proposal on RBB for the United Nations.

10. In the report, the definition of RBB offered by the Secretary-General of the United Nation is used: a programme budget process in which (a) programme formulation revolves around a set of predefined objectives and expected results; (b) expected results justify the resource requirements which are derived from and linked to outputs required to achieve such results; and (c) actual performance in achieving results is measured by objective performance indicators (A/53/500 of 15 October 1998, summary).

11. The JIU made six recommendations:

(a) In order to ensure appropriate guidance from Member States in resolving the problem of the lack of agreed definitions for key RBB terms, the Glossary of financial and budgetary terms, currently being updated by the Consultative Committee on Administrative Questions, should be reviewed and commented upon by the appropriate bodies of the United Nations system organizations;

(b) As a means for seeking to resolve existing concerns about the possible adaptation of RBB to the United Nations, and in order to ensure an appropriate participatory role of Member States in adapting RBB to the United Nations, an open-ended working group should be established at the level of the Fifth Committee, to meet during the fifty-fourth session of the General Assembly and off-session as needed, within existing resource levels, at which Secretariat officials, including from secretariats of other organizations to the extent possible, would provide briefings and respond to questions on all aspects of RBB;

(c) Subject to a General Assembly decision to use RBB for the United Nations, the United Nations Staff College and the United Nations Institute for Training and Research should be invited to conduct seminars and workshops to help familiarize staff and representatives of Member States with RBB;

(d) Future reporting from the Secretary-General on RBB should include a comprehensive assessment of changes that would be required to ensure the readiness of the Organization for RBB, regarding areas such as regulations, procedures, management information systems and training;

(e) Reflecting the uncertainty about how to reflect external factors in the accountability of programme managers under RBB, the Secretary-General should submit to the General Assembly as soon as possible a report with recommendations on this matter, accompanied by the comments of the Advisory Committee for Administrative and Budgetary Questions (ACABQ) and the Committee for Programme and Coordination (CPC);

(f) In view of their roles in the current programme budget process, the CPC and the ACABQ should be invited to comment on their respective roles under RBB.

12. UNIDO finds that the report provides useful insight into the experience of the United Nations agencies with results-based budgeting and also correctly reflects the situation of UNIDO.

II. NOTE SUBMITTED BY THE JOINT INSPECTION UNIT TO UNIDO

13. The JIU issued a note entitled "Handling of JIU reports by UNIDO" (JIU/NOTE/2000/3). The note, which was circulated to Permanent Missions on 24 March 2000, presents the current practice of UNIDO as well as JIU comments and recommendations addressed to the Director-General.

14. The main recommendations of the note concern: (a) the transmission well in advance to Member States of full JIU reports submitted for action; (b) comments on draft reports of relevance to UNIDO; (c) allocation of sufficient time at meetings of legislative organs for consideration of JIU reports; (d) encouragement by the Director-General to UNIDO legislative organs to take specific decisions on each of the pertinent recommendations contained in JIU reports; and (e) implementation by the Director-General of the follow-up system on JIU reports and submission to relevant legislative organs of status reports concerning measures taken on the implementation of approved JIU recommendations.

15. The Director-General finds that the proposal of having the Secretariat inform Member States of the titles of reports which will soon be available on the JIU web site could be fulfilled. In consideration of the limited time available during sessions of the Board, the Director-General proposes to continue the practice of featuring in official documentation only those JIU reports of direct relevance to UNIDO, as in the present document. The UNIDO Secretariat could draw the attention of Member States to the JIU recommendations for follow-up, as adopted by the General Assembly.

III. ACTION REQUIRED OF THE BOARD

16. In compliance with the provisions of the statute of JIU and resolution 48/221 of the General Assembly providing that the recommendations made by JIU should be considered and approved by Member States prior to their implementation by the organizations, the Board may wish to review the recommendations of JIU together with the views of UNIDO thereon.